

VO
STATEMENT OF FINANCIAL POSITION
AS OF: June 30, 2007

ASSETS

CURRENT ASSETS

101 Cash (Disclose on Schedule A)	\$65,197,407
102 Current Investments	-
103 Accounts Receivable (net) (Disclose on Schedule A)	\$18,527,806
104 Notes Receivable (current portion)	-
105 Prepaid Expenses	1,205,610
106 Other Current Assets (Disclose on Schedule A)	<u>\$3,458,633</u>
107 Total Current Assets	<u>\$88,389,456</u>

NON-CURRENT ASSETS

108 Land	-
109 Building	-
110 Leasehold Improvements	4,881,700
111 Furniture and Equipment	14,317,010
112 Vehicles	-
113 Total Property and Equipment	<u>\$19,198,710</u>
114 Less: Accumulated Depreciation	<u>12,388,120</u>
115 Net Property and Equipment	<u>\$6,810,590</u>
116 Notes Receivable (net of current portion)	-
117 Performance Bond (Disclose on Schedule A)	-
118 Long Term Investments	-
119 Deposits	467,993
120 Other Noncurrent Assets (Disclose on Schedule A)	<u>\$1,036,407</u>
121 Total Noncurrent Assets	<u>\$8,314,990</u>
122 TOTAL ASSETS	<u><u>\$96,704,446</u></u>

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201 Incurred But Not Reported Claims (Disclose on Sch. A)	\$13,611,681
202 Reported But Unpaid Claims	417,584
203 Payable to ADHS (Disclose on Schedule A)	\$3,224,000
204 Other Amounts Payable to Providers	7,312,567
205 Trade Accounts Payable	3,075,918
206 Accrued Salaries and Benefits	10,939,098
207 Long-term Debt (current portion)	-
208 Deferred Revenue (Disclose on Schedule A)	\$487,689
209 Risk Pool Payable	-
210 Other Current Liabilities (Disclose on Schedule A)	<u>\$10,993,707</u>
211 Total Current Liabilities	<u>\$50,062,243</u>

NON-CURRENT LIABILITIES

212 Long-term debt (net of current portion)	-
213 Loss Contingencies (Disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities (Disclose on Schedule A)	<u>\$1,563,257</u>
215 Total Noncurrent Liabilities	<u>\$1,563,257</u>
216 TOTAL LIABILITIES	<u>\$51,625,500</u>
217 NET ASSETS/EQUITY	
Unrestricted Net Assets	45,078,946
Restricted Net Assets (Disclose on Schedule A)	\$0

218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$96,704,446</u></u>
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VO
STATEMENT OF FINANCIAL POSITION
AS OF:
Schedule A Disclosures

June 30, 2007

ASSETS:

Cash

Unrestricted	65,197,407
Restricted	\$ -

Total Cash	<u>\$65,197,407</u>
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LIABILITIES:

IBNR Claims Estimate

Current Year	
FY 07	13,774,797
Prior Year(s)	
FY06	(163,116)
FY05	

Total IBNR	<u>\$13,611,681</u>
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Accounts Receivable

ADHS

Program ID	Category ID
Current Year	
TXIX Child	(91)
TXIX CMDP	-
TXIX SMI	-
HIFA II SMI	-
TXIX GMHSA	-
HIFA II GMH	-
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	615,222
NTXIX/XXI SMI	2,704,206
Mental Health	-
Substance Abuse	4,531,608
Prevention Intervention	1,242,794
ADHS DOC	-
PASRR	1,500
HB2003 Child	26,045
SSDI	38,126
NTXIX/XXI SMI	Community Placement (0)
Select Program	
Prior Year	
TXIX Child	-
TXIX CMDP	-
TXIX SMI	-
HIFA II SMI	-
TXIX GMHSA	-
HIFA II GMH	-
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	-
NTXIX/XXI SMI	-
Mental Health	-
Substance Abuse	-
Prevention Intervention	-
ADHS DOC	-
PASRR	-
HB2003 Child	-
HB2003 SMI	-
Select Program	Identify category

Non-ADHS &/or Unrelated Business

Current Year	
Due from Affiliates	4,825,869
Casa Buena	302,393
Provider receivable	491,073
Rehabilitative Services Administration and MMA re	-
Pharmacy Rebates	900,048

Payable to ADHS (Detail of Line 203)

Program ID	Category ID
Current Year	
NTXIX/XXI Child	Profit/Risk Corridor \$ 570,505
HIFA II SMI	Profit/Risk Corridor \$928,470
HIFA II GMH	Profit/Risk Corridor \$31,408
NTXIX/XXI Child	Profit/Risk Corridor \$79,801
Other	Sanctions \$645,740
TXXI Child	Sanctions \$167,506
Other	Sanctions \$159,044
Prior Year	
Other	Sanctions \$477,130
TXXI Adult	Sanctions \$ 164,396
Total Payable to ADHS	<u>\$3,224,000</u>

Deferred Revenue from: (Detail of Line 208)

Program ID	Category ID
ADHS	
Current Year	
TXIX Child	ADJC \$452,340
TXXI Child	Excess Profit \$0
NTXIX/XXI Child	Excess Profit \$0
TXIX SMI	Unearned Revenue \$35,349
HIFA II SMI	Excess Profit \$0
HIFA II GMH	Excess Profit \$0
Prior Year	
Select Program	\$0
Other	Identify Category

Non-ADHS &/or Unrelated Business

Current Year	
Identify Program	Identify Category
Identify Program	Identify Category
Prior Year	
Identify Program	Identify Category
Total Deferred Revenue	<u>\$487,689</u>

Other Current Liabilities (Detail of Line 210)

Identify Other Current Liabilities	
Payable to AHCCCS	1,068,941
Casa Buena Payable	-
Income tax payable to parent	3,054,530
Deferred Lease Liability	522,617
Due to affiliates	-
Malpractice Reserve	5,589,134
Payable to the United State Government, DOJ	576,889
Sanctions and penalties payable	-
Accrued audit fees	111,984
Management Fee Payable	-
VO TLC Copier Lease #3	19,992
VO TLC Copier Lease #6	49,619

Total Other Current Liabilities	<u>10,993,707</u>
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	Accrued interest receivable	298,319			
	Case management receivable	34,124			
	OR MGMT fee receivable	-			
	CMS Pharmacy (MMA) Receivable	2,397,171	<u>Loss Contingencies (Detail of Line 213)</u>		
	Lab Receivables	13,579			
	Employee receivables	30,787	Identify Loss Contingencies		
	Medicare receivable	75,033	Total Loss Contingencies		<u>\$0</u>
Prior Year					
		-	<u>Other Noncurrent Liabilities (Detail of Line 214)</u>		
	Due to affiliates	-			-
	Provider receivable	-	Deferred lease credit - noncurrent		1,563,257
	Rehabilitative Services Administration	-			<u>1,563,257</u>
	Accrued interest receivable	-			
	Case management receivable	-	Total Other Noncurrent Liabilities		
	Medicare receivable	-	Identify Restricted Net Assets		
	Lab Receivables	-	<u>Restricted Net Assets (Detail of Line 217)</u>		
	Employee receivables	-			<u>\$0</u>
	Allowance for Doubtful Accounts		Total Restricted Net Assets		
	Total Accounts Receivable	<u>18,527,806</u>			
	<u>Other Current Assets (Detail of Line 106)</u>		<u>Payable to ADHS (Detail of Line 203)</u>		
	Deferred Tax Asset	3,458,633	Description		
	Total Other Current Assets	<u>\$3,458,633</u>	(a)	Sanction for T21 Encounter Withhold.	331,902
				Sanction for data demographics	645,740
				Sanction for data validation (04 - 07)	636,174
	<u>Other Noncurrent Assets (Detail of Line 120)</u>				
	Deferred Tax Asset	1,036,407			
	Total Other Noncurrent Assets	<u>1,036,407</u>			
	<u>PERFORMANCE BOND:</u>				
	Type of Security & Amount -				
	Westchester Fire Insurance Co.	Bond			\$49,932,012

Adjustments:

Disclose and describe any adjustments made to previously submitted financial statements, including those that affect the current period financial statements.

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior period

Describe fluctuation in each account greater than 10%

VO

STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : June 30, 2007

			Initial Capital	Additional Capital	Net Assets / Retained Earnings	Total
Beginning Balance:	July 1, 2006		36,090,585	1,006,000	(215,865)	36,880,720
* Net Surplus / Net Earning for the period ended:		June 30, 2007	-	-	5,100,925	5,100,925
Dividends Declared				-	(4,958,000)	(4,958,000)
** Prior Period Adjustments			-	8,055,301	-	8,055,301
Ending Balance:	June 30, 2007					-
			\$ 36,090,585	\$ 9,061,301	\$ (72,940)	\$ 45,078,946

* Net of dividends declared

** Disclosure of Prior Period Adjustments

This balance represents capital infusions to VO of Arizona, Inc. from its parent, ValueOptions, Inc. during SFY2007.

YEAR TO DATE AS OF:

VO Qtr 4: Stmt Activities

*DISCLOSE ON SCHEDULE A

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	SSDI - TMC	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
Administrative Expenses:																								
601	Salaries	1,973,388	746,772	143,061	169,290	144,953	0	4,459,086	144,793	1,920,857	28,100	5,538	472	1,870,274	25,222	52,772	524,124	138,924	1,151	34,167	0	12,382,945		12,382,945
602	Employee Benefits	454,573	172,020	32,954	38,996	33,390	0	1,027,157	33,353	442,472	6,473	1,276	109	430,820	5,810	12,156	120,733	32,001	265	7,870	0	2,852,429		2,852,429
603	Professional & Outside Services	565,755	214,094	41,014	48,534	41,557	0	1,278,385	41,511	550,694	8,056	1,588	135	536,193	7,231	15,129	150,262	39,828	330	9,795	0	3,550,092		3,550,092
604	Travel	36,358	13,758	2,636	3,119	2,671	0	82,154	2,668	35,390	518	102	9	34,458	465	972	9,656	2,560	21	629	0	228,143		228,143
605	Occupancy	131,046	49,591	9,500	11,242	9,626	0	296,113	9,615	127,558	1,866	368	31	124,199	1,675	3,504	34,805	9,225	76	2,269	0	822,310		822,310
606	Depreciation	509,739	192,896	36,954	43,729	37,442	0	1,151,810	37,401	496,170	7,258	1,431	122	483,104	6,515	13,631	135,384	35,885	297	8,826	0	3,198,594		3,198,594
607	All Other Operating*	2,614,501	989,383	189,539	224,289	192,045	0	5,907,752	191,834	2,544,904	37,229	7,338	626	2,477,887	33,417	69,916	694,401	184,058	1,526	45,267	0	16,405,909		16,405,909
608	Subtotal ADHS Administrative Expenses	6,285,359	2,378,513	455,658	539,199	461,684	0	14,202,457	461,176	6,118,045	89,501	17,640	1,505	5,956,934	80,335	168,080	1,669,365	442,481	3,667	108,823	0	39,440,422	0	39,440,422
650	Non ADHS Administrative Expenses*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,067,275	1,067,275	
651	Unrelated Admin. Expense*																					0	0	
652	Subtotal Administrative Expense	6,285,359	2,378,513	455,658	539,199	461,684	0	14,202,457	461,176	6,118,045	89,501	17,640	1,505	5,956,934	80,335	168,080	1,669,365	442,481	3,667	108,823	0	39,440,422	1,067,275	40,507,697
701	Unrelated Business Expenses*																					0	0	
790	Income Tax Provisions																							
a	ADHS Income Tax Provision	5,258,810	(2,754,211)	(272,347)	202,973	237,013	0	2,771,871	(46,069)	(6,362,680)	132,521	(6,380)	858	3,742,091	45,192	(2,700,429)	858,416	149,472	0	61,013	0	1,318,115	0	1,318,115
b	Non ADHS Income Tax Provision	0	0	0	0	0	0	105,008	0	86,856	0	0	0	458	0	4,165	454	0	0	0	177,647	374,588	1,973,962	2,348,550
799	Subtotal Income Tax Provision	5,258,810	(2,754,211)	(272,347)	202,973	237,013	0	2,876,880	(46,069)	(6,275,825)	132,521	(6,380)	858	3,742,549	45,192	(2,696,265)	858,870	149,472	0	61,013	177,647	1,692,703	1,973,962	3,666,665
800	TOTAL EXPENSES	77,550,564	35,904,309	6,468,884	7,015,430	5,973,571	0	187,817,424	6,425,687	91,564,495	1,017,455	246,107	24,854	75,138,291	1,021,429	6,031,105	21,328,540	5,765,435	48,900	1,389,768	177,647	530,909,901	3,041,237	533,951,138
801	INC(DEC) IN NET ASSETS/EQUITY	7,315,854	(3,831,549)	(378,878)	282,367	329,724	0	4,002,206	(64,091)	(8,730,688)	184,359	(8,874)	1,191	5,206,489	62,870	(3,750,939)	1,194,829	207,941	0	84,880	247,139	2,354,826	2,746,100	5,100,925

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	SSDI - TMC	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL	
DISCLOSURE OF OTHER ADHS REVENUE																								
																					\$0		\$0	
																					\$0		\$0	
																					\$0		\$0	
Total Other - Other Column																					\$0	\$0	\$0	
DISCLOSURE OF OTHER GRANTS REPORTED ON LINE 402																								
Itemization of Items Reported on Line 402																								
Total Other Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DISCLOSURE OF OTHER REVENUE REPORTED ON LINE 406																								
Itemization of Items Reported on Line 406																								
Lab Revenue																								
Miscellaneous																								
Total Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,666	12,666	0	12,666	
UNRELATED BUSINESS ACTIVITIES REPORTED ON LINE 407																								
Itemization of Items Reported on Line 407																								
Total Unrelated Business Activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DISCLOSURE OF ALL OTHER BEHAVIORAL HEALTH SERVICES ON LINE 511																								
Itemization of Items Reported on Line 511																								
HB2003 Children and Adult services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PASARR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,233	0	0	45,233	45,233	
Total All Other Behavioral Health Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,233	0	0	45,233	0	45,233
DISCLOSURE OF SERVICES EXPENSES FROM NON ADHS SOURCES ON LINE 520																								
Itemization of Items Reported on Line 520																								
Total Service Expenses Non-ADHS Sources	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DISCLOSURE OF ALL OTHER OPERATING ON LINE 607																								
Itemization of Items Reported on Line 607																								
Maintenance Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Supplies	104,914	39,702	7,606	9,000	7,706	0	237,064	7,698	102,121	1,494	294	25	99,432	1,341	2,806	27,865	7,386	61	1,816	0	658,331		658,331	
Phone	255,297	96,610	18,508	21,901	18,753	0	576,871	18,732	248,501	3,635	716	61	241,957	3,263	6,827	67,806	17,973	149	4,420	0	1,601,978		1,601,978	
Licenses & Taxes	20,327	7,692	1,474	1,744	1,493	0	45,931	1,491	19,786	289	57	5	19,265	260	544	5,399	1,431	12	352	0	127,552		127,552	
Insurance	488,265	184,770	35,397	41,887	35,865	0	1,103,289	35,825	475,268	6,953	1,370	117	462,752	6,241	13,057	129,681	34,373	285	8,454	0	3,063,849		3,063,849	
Training	30,589	11,576	2,218	2,624	2,247	0	69,120	2,244	29,775	436	86	7	28,991	391	818	8,124	2,153	18	530	0	191,947		191,947	
Postage	36,146	13,679	2,620	3,101	2,655	0	81,676	2,652	35,184	515	101	9	34,258	462	967	9,600	2,545	21	626	0	226,816		226,816	
Other	22,917	8,672	1,661	1,966	1,683	0	51,784	1,682	22,307	326	64	5	21,720	293	613	6,087	1,613	13	397	0	143,806		143,806	
Sanctions & penalties expense	238,930	90,416	17,321	20,497	17,550	0	539,888	17,531	232,569	3,402	671	57	226,445	3,054	6,389	63,459	16,820	139	4,137	0	1,499,276		1,499,276	
Net Allocation In	1,417,116	536,267	102,734	121,569	104,093	0	3,202,128	103,978	1,379,392	20,179	3,977	339	1,343,068	18,112	37,896	376,380	99,763	827	24,536	0	8,892,354	0	8,892,354	
Total All Other Operating	2,614,501	989,383	189,539	224,289	192,045	0	5,907,752	191,834	2,544,904	37,229	7,338	626	2,477,887	33,417	69,916	694,401	184,058	1,526	45,267	0	16,405,909	0	16,405,909	
DISCLOSURE OF NON-ADHS ADMINISTRATIVE EXPENSES ON LINE 650																								
Itemization of Items Reported on Line 650																								
Investment income administration																								
Total Non-ADHS Admin. Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,067,275	1,067,275	
DISCLOSURE OF UNRELATED ADMINISTRATIVE EXPENSES ON LINE 651																								
Itemization of Items Reported on Line 651																								
Total Unrelated Administrative Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DISCLOSURE OF UNRELATED BUSINESS EXPENSES LINE 701																								
Itemization of Items Reported on Line 701																								
Total Unrelated Business Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

VO

STATEMENT OF CASH FLOWS

YEAR TO DATE FOR PERIOD ENDED:

June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	5,100,928
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	3,018,274
Changes in Operating Assets and Liabilities	
(Increases)/Decreases in Assets:	
Current Investments	-
Receivables	(277,482)
Inventory & Prepaid Expenses	518,069
Interest Receivable	(277,162)
Deposits	17,675
Other	(958,738)
Increases/(Decreases) in Liabilities:	
IBNR	3,059,231
RBUC	(402,021)
Accounts Payable to ADHS	2,221,272
Accounts Payable to Providers	3,311,696
Interest Payable	-
Trade Accounts Payable	(684,357)
Accrued Salaries & Benefits	3,497,466
Other Current Liabilities	(61,894)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	18,082,957
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property & Equipment	-
Purchases of Property & Equipment	530,154
Proceeds from Sales of Investments	-
Purchase of Investments	-

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	530,154
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CASH FLOWS FROM FINANCING ACTIVITIES:

Acquisition of Debt (Describe on Schedule A)	8,055,301
Payment of Lease Obligations	-
Payment of Other Debts (Describe on Schedule A)	(4,958,000)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	3,097,301
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NET INCREASE/(DECREASE) IN CASH	21,710,412
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BEGINNING CASH	43,486,995
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ENDING CASH BALANCE *	65,197,407
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***NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

VO
STATEMENT OF CASH FLOWS
YEAR TO DATE FOR PERIOD ENDED: June 30, 2007
Schedule A Disclosure

Describe:

1. Sources and amounts of cash received for other grants.

2. Underlying transactions for acquisition of debt.
(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)
Capital infusion from parent company 8,055,301

3. Underlying transactions for retirement of debt.
(Debtor, amount paid off.)

4. Cash Flows From Financing Activities - Payment of Other Debt
Dividends declared and paid 4,958,000

5. Supplemental data or non-cash investing and financing activities, gifts, etc.